

ARUBA



Lago Oil & Transport Co., Ltd.

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LSRP provides recognition for early retirees also

Program for unique group of employees

In December 1980, Lago announced its Long Service Recognition Program whereby employees hired before January 1, 1954 would receive a lumpsum at retirement of one month's regular income for each year of service beyond 40 years.

This program was designed to recognize the fact that a significant number of Lago employees started at a very young age via the Lago Vocational School and thereby can accrue unusually long service by the time they approach normal retirement age.

By remaining in service beyond 40 years, the employee not only qualifies for this lumpsum but he also improves his pension by virtue of the added service and reduced discount (if he leaves prior to 60). In addition, the final 3 year average compensation on which pension is based, is improved by any pay adjustments during the period he works beyond 40 years.

New option for those who want to leave early

While recognizing these improvements possible by remaining in Lago service, there are some eligible employees who may prefer to take early retirement after working 40 years at Lago. Under the pension plan, their normal annuities are reduced by 3% for each year of early commencement to partially compensate for the additional years the pension will be payable e.g. at 58 years of age the annuity is 94% and at 55, it is 85% of normal pension.

Realizing that within this unique group some may wish to retire early, Lago has amended the Long Service Recognition Program effective January 1, 1983, by adding an alternate provision for those eligibles who elect

to leave before reaching 60 years of age.

The new option provides a payment of two months final regular pay for each year of early commencement of retirement prior to the attainment of age 60. For example, if an eligible employee attains 40 years of service at 55 and then elects to retire, he would receive a payment at retirement equal to 10 months of final regular compensation. If one retires at 57, the lumpsum would be 6 months regular earnings.

Eligibility requirements are:

- (1) Having been employed prior to January 1, 1954.
- (2) The employee must be at least 55 years of age.
- (3) Have at least 40 years of Lago service.

Employees can choose new option to suit personal plans

The current LSRP provision of one month's lumpsum for years beyond 40 continues as an option, but any employee with more than 40 years of service who elects to retire early will receive the higher of the result based on either service beyond 40 or the result based on granting 2 months for each year of retirement prior to age 60, but not both. For example, an employee electing to retire at 59 with 44 years of service would be better off receiving the four months pay based on service beyond 40 rather than the 2 months for leaving one year early. On the other hand, an employee retiring at 56 with 41 years of service will be eligible to a lumpsum of 8 months based on leaving early versus the one month for his service beyond 40 years.

An employee meeting the eligibility requirements will have the right to elect to retire as soon as he qualifies or at some later date if that better suits his personal plans.

(continued on page 2)

Nurczynski departs to Esso CCA



Mr. Robert E. Nurczynski, formerly on special assignment at Lago, is now the Employee Relations Manager of Esso Caribbean and Central America in Coral Gables.

Mr. Nurczynski assumed his new position in January.

Robert E. Nurczynski
Employee Relations Manager
Esso CCA

Naugle joins Lago as Assistant Manager

Mr. Robert E. Naugle joined Lago as Assistant Manager of the Mechanical Department in January.

Mr. Naugle's most recent position was as Manager of Maintenance and Construction on the Colony Shale Project of Exxon U.S.A. Bonbini!



Robert E. Naugle
Assistant Manager
Mechanical Department

LSRP ta reconoce empleadonan cu retira tempran

Programa pa un grupo special di empleado

Na December 1980, Lago a anuncia su Long Service Recognition Program (Programa di reconocimiento pa esnan cu hopi anja di servicio) den cual empleadonan cu a ser emplea promer cu dia 1 di Januari, 1954, lo ricibi — na ora di retiro — un suma total di un luna di salario pa cada año di servicio riba 40 año.

E programa aki a wordo diseña pa reconocé e echo cu un cantidad significante di empleado a cumenzá traha via Lago Vocational School cu un edad hopi hoven y cu pa tal motibo, pa ora cu nan alcanzá e edad normal di retiro, ta acumulá masha hopi añanan di servicio.

Door di keda den servicio pa mas cu 40 año, no solamente e empleado ta qualificá pa e suma total aki pero tambe elo mehorá su pension pa medio di e añanan di servicio adicional y un descuento reducí (si e retirá promer cu 60 año di edad). Adicionalmente, e averahe di compensacion pa e tres ultimo añanan ariba cual e pension ta basá, ta wordo mehorá cu cualquier ahuste di pago durante e periodo di mas cu 40 año cu e ta sigi traha.

Un opcion nobo pa esnan cu kier retirá tempran

Aunque mester reconocé cu e mehoracionnan aki ta posible mientras un empleado keda den servicio di Lago, tin algun empleado cu ta elegible y cu lo por preferá di tuma nan retiro tempran, despues di a traha na Lago pa 40 año. Bao di e plan di pension, nan placa di pension normal ta wordo reducí cu 3% pa cada año menos di 60 año cu nan ta traha, pa compensá parcialmente e añanan adicional di pension cu lo mester wordo pagá na nan. Por ehemplo, na edad di 58 año e pago di pension ta 94% y na edad di 55 año, e ta 85% di e placa di pension normal.

Tumando nota di cu algun den e grupo único aki lo kier tuma nan retiro mas tempran, Lago a modificá e Long Service Recognition Program efectivo dia 1 di Januari, 1983, agregando un provision alternativa pa esnan elegible cu ta scoge di retirá promer cu 60 año di edad.

E opcion nobo ta provee un pago di e dos ultimo lunanan di pago regular pa cada año di retiro promer cu cumplimento di 60 año di edad. Por ehemplo, si un empleado elegible cumpli 40 año di servicio cu 55 año di edad y dicidí di retirá na tal edad, na su retiro elo ricibi pago igual na 10 luna di su ultimo compensacion regular. Si un persona retirá cu 57 año, e suma efectivo lo ta seis luna di ganashi regular.

Pa ser elegible e empleado mester cumpli cu e siguiente requisitonan:

- (1) E mester a wordo empleá promer cu dia 1 di Januari, 1954.
- (2) E mester tin por lo menos 55 año di edad.
- (3) E mester tin por lo menos 40 año di servicio cu Lago.

Empleadonan por scoge opcion nobo di acuerdo cu plannan personal

E provision di LSRP actual di un luna di suma total pa cada año di servicio despues di 40 año ta continuá como un opcion. Sinembargo, cualquier empleado cu mas di 40 año di servicio cu ta deseá di retirá promer

cu nan cumpli 60 año di edad, lo haya e cantidad mas halto di e resultado basá ariba 6f e añanan di servicio mas cu 40 año 6f e resultado basá ariba e 2 lunanan pa cada año di retiro promer cu cumplimento di 60 año, pero no tur dos.

Por ehemplo, un empleado cu scoge di retirá cu 59 año di edad y 44 año di servicio, lo keda mihor para recibiendo e cuatro lunanan di pago basá ariba e servicio di mas cu 40 año, en vez di e dos lunanan di pago cu elo haya door di retirá un año mas tempran.

Di un otro banda, un empleado cu ta retirá na edad di 56, cu 41 año di servicio ta elegible pa un suma efectivo di ocho luna di pago basa ariba un retiro tempran en vez di e un luna cu elo haya pa e un año cu ela traha ariba 40 año.

Empleadonan cu ta elegible lo tin e derecho di scoge retiro asina cu nan qualificá of despues si esey combinan nan plannan personal.

E Programa aki ta reconoce e circunstancianan special di e grupo di empleado único aki cu a wordo empleá na un edad asina hoven y cu pa tal motibo a adquirí hopi añanan di servicio na un edad mas hoven cu normal.

E Programa ta provee nan cu reconocimiento especial si acaso nan scoge di keda traha na Lago of si nan retirá di Compania promer cu e edad normal di retiro. Si un empleado ta elegible bao di e Programa y ta desea di retira tempran, elo mester informa su supervisor por lo menos 30 dia promer cu elo kier pa su retiro bai den efecto.

Pa mas informacion, por yama Sr. Elias Fingal di Employee Relations na extension 2421.

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Robert Hernandez
(Roro)
30 years



Pabien!

LSRP . . .

cont. from page 1

Summary

This Program recognizes the special circumstances of that group of employees who were employed at a uniquely early age and thereby have acquired long service at an age earlier than normal. The Program provides them with special recognition whether they choose to remain with Lago or to leave Company service before normal retirement age.

Employees who are eligible to the Program and wish to retire early, should inform their supervisor at least 30 days in advance of the effective date. For more information, please call Mr. Elias Fingal, extension 2421 in Employee Relations.



Tony Cavallaro, Lago Vice President, flanked by four beauty queens, crowns and complacently congratulates Ms. Desiree Hoo, Aruba's 1983 Carnival Youth Queen. And camera's kept clicking...

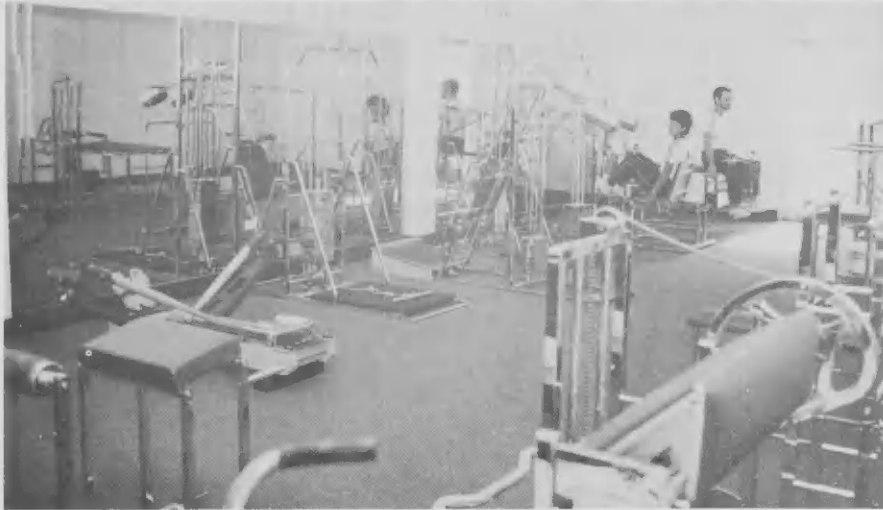


**Aruba 1983
Children's Carnival**



Keeping fit!

Esso Club opens fitness center



17 pieces of equipment, able to exercise all parts of the body, are available in the new Aruba Esso Club Fitness Center. On the right Margriet, an instructor of the Fitness Center program, is using the calf and hack machine to exercise her legs.



In the late 70's, industry rediscovered the natural wonders of exercise. Health spas mushroomed in Europe, the U.S.A. and in Asia. Big organizations, especially in Japan, recognized that it was good business to have healthy employees and decided to include health spas in their office building plans.

In Aruba, in addition to the existing health spas, an ocean-view, brand new one is opening soon: the Aruba Esso Club Fitness Center.

Up to now, a total of 17 shining pieces of beautiful aluminium and leather equipment are decorating the air-conditioned Fitness Center located next to the Main Lounge. Although the available equipment is the mere basics for a fitness center, they are more than sufficient to maintain or help develop a healthy body.

"When using the majority of the available equipment, every part of your body will be worked out," said Vincent Leysner, who along with his sister Margriet Paalman are the instructors of this fitness center. Vincent, who is involved in many sports organizations (such as President of the Aruba Volleyball Bond) received his BS degree in Physical Education from Bowling Green State University in Ohio. Margriet has a BA degree in Physical Education from St. Leo College in Florida and is presently teaching it at the St. Filomena College in San Nicolas and the Scucha Nos School in Oranjestad.

According to Vincent and Margriet, a 45-minute training program on the available equipment will increase one's flexibility, speed, endurance, strength and improve one's cardiovascular respiratory system.

The first equipment one would encounter on a trip in the Fitness Center is an apparatus no one would have trouble using: a doctor's scale. "We check the weight regularly," explained Vincent, "to see if any changes occur." There is an arm-curl machine to develop the biceps, triceps and forearm, a twist machine to shape the hips and a butterfly machine to shape the chest and bust. Other self-explanatory machines are the shoulderpress, abdominal rack, inner/outer thigh, and the leg press (which is also recommended for rehabilitation). The lateral pull machine, exercises the back

and shoulders, the low pulling machine the forearm and the rowing machine, all muscles and the cardiovascular system. Other machines that are excellent for the cardiovascular system are the bicycle and the treadmill. "Jogging on the treadmill is safer than jogging on asphalt outside, because the asphalt is hard and puts pressure on the knee while the treadmill has a flexible (rubber) surface," said Vincent.

Beginners definitely should seek advice when starting in the program. Improper use of the equipment can cause injuries. Instructions will be given in classes of 10-15 persons so that instructors can spend more time with each participant.

For those with experience who would like to exercise on their own without instruction, the Fitness Center will have a fixed schedule.

"As health is the principle idea behind a fitness center, diets also should be considered," explained Margriet. "For instance, you shouldn't eat three to four hours before exercising, or drink for about two hours prior. They don't digest fast enough. It is also not recommended to consume any liquid containing caffeine or alcohol for about two hours prior to exercising as they increase one's blood pressure."

To become a member of the Fitness Center one must be an Esso Club member and pay a small monthly fee. The only other requirement is that one should bring a letter from his/her doctor approving either a light, moderate or strenuous exercise program. "We will follow the doctor's advice," said Vincent, "as we aim at an overall physical fitness."

Said Ovi Croes, Supervisor of the Esso Club, "what we have now is a good start and we hope it will have a chain reaction effect to future extension plans. As soon as we determine the extent of interest in this program we can decide whether to expand it."

Mantené condición!

Esso Club ta habri centro di salud

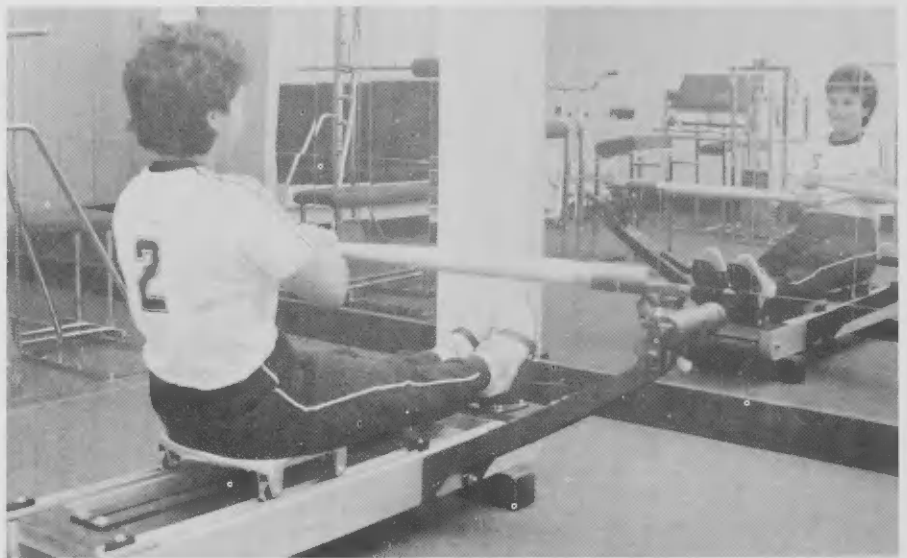
Den ultimo anjanan di decada '70, industria a bolbe descubrí e milagronan natural di ehercicio. Centronan di salud a aparecé di anochi pa mainta na Europa, Estados Unidos y Asia. Organizacionnan grandi, especialmente na Japon, a reconocé cu empleadonan saludable ta parti di un bon maneho di negoshi, y a dicidí di inclui centronan di salud den nan plannan di construccin di oficina.

Ademas di e centronan di salud ya existente na Aruba, un centro nobo cu vista di laman, lo habri pronto: Aruba Esso Club Fitness Center.

Te awor, un total di 17 pida equipo di cuero y aluminium brillante ta decorando e Fitness Center aire-acondicioná aki, localizá banda di e Main Lounge. Aunque e equipo disponible ta solamente lo básico di un centro di salud, nan ta mas cu suficiente pa mantené y yuda desaroyá un curpa saludable.

Usando e "rowing machine" aki, Margriet Paalman ta haciendo ehercicio cu su musculonan y sistema cardiovascular.

Mientras tanto, Vincent ta prepará pa corre riba e "treadmill". Segun Vincent, esaki ta mihor cu corre ariba asfalt pafor.



problema pa uza: un balanza cu ta ser uzá pa dokter. "Nos ta check e peso di e hendenan regularmente," Vincent a splica, "pa wak si tin algun cambio." Tin un 'arm-curl' machine pa desaroyo di biceps, triceps y antebrazo, un 'twist-machine' pa drecha forma di hip y un 'butterfly machine' pa e forma di pecho y busto. Tambe tin otro machinnan desponible pa haci ehercicio di lomba, stoma, bil y pia (e machin aki ta wordo recomendá pa rehabilitacion tambe). E 'lateral pull machine' ta pa haci ehercicio di lomba y torso, e 'low pulling machine' pa haci ehercicio di antebrazo y e 'rowing machine' ta pa tur músculo y e sistema cardiovascular. Otro machinnan cu tin un efecto excelente riba e sistema cardiovascular ta e bicicleta y e 'treadmill'. "Ta menos peligroso pa corre riba e 'treadmill' cu riba asfalt pafor, pasobra asfalt ta duro y ta pone presion ariba bo rodia, mientras cu e 'treadmill' tin un superficie flexible (di rubber)," Vincent a bisa.

Definitivamente, novatonan mester tuma conseho na comienzo di e programa. Uzo inapropiá di equipo por causa daño. Instruccion lo wordo duna den klas di 10 pa 15 persona só pa asina instructornan por pone mas atencion na cada persona individual.

Pa esnan cu experiencia cu kier haci ehercicio riba nan mes, sin instruccion, e Fitness Center lo tin un schedulo fiho.

(continua riba pagina 6)

Editor's Note:

Beginning with this issue, we are enclosing a copy of "Health Voice", a publication containing helpful information on health, diets and disease prevention in general. "Health Voice" is published four times a year under the guidance of a distinguished editorial board of physicians and public health authorities of the U.S.

Medical Insurance improved

A copy of the Lago Medical Expense Reimbursement Program as revised January 1, 1983, was recently sent to all employees.

Often these texts can seem very legalistic and it is not easy to know what the important changes are.

Here are some of the more important changes that make the Medical Expense Reimbursement Program more valuable to employees and their families.

Room and Board

When hospitalized, the full cost of second class (semi-private) room and board is covered for 300 days.

If Lago's Medical Department feels that the patient needs to be hospitalized elsewhere, the room and board costs are covered even if the daily rate is higher. In the past, this difference was reimbursed under Major Medical which meant that the employee paid 25% of the difference.

Even if a patient chooses to be treated offshore without Medical Department agreement, he will have coverage up to the rates charged at Oduber Hospital. Hospitalization for alcoholism and drug addiction are now covered for up to 30 days in a calendar year. Formerly, they were excluded from Basic coverage.

In-Hospital Services

These include the use of all hospital facilities and equipment for tests and treatment as well as drugs, dressings, etc.

Under the revised program, when hospitalized on Aruba or referred abroad by Medical, these expenses are fully covered. In the past, the limit was ten times the daily Oduber room rate and anything in excess was paid under Major Medical with the employee paying 25%.

Maternity

Formerly, there was a flat allowance of 1200 Fls. for normal deliveries. This covered hospital as well as doctor's fees. Now the plan covers full hospital expenses and the doctor's fee up to a maximum of 1000 Fls.

Surgeon's Fees

Since mid-1980, Lago has been using a widely used point system for determining surgical reimbursement on Aruba. This has meant that most surgeon's fees have been fully reimbursed.

However, if the patient required a complex operation that could not be performed here, he had to be referred elsewhere by Medical where the Aruba-based scale might not be applicable. In such cases, the Company paid 75% of the excess but the employee paid 25% of the difference.

As of January 1, 1983, the surgical reimbursement schedule in offshore referral cases is two times the Aruba value. This means that the plan should cover most if not all the offshore surgical fees for cases referred abroad by Medical.

Emergency Care

Like maternity, this now covers full hospital charges

and doctor's fee up to 100 Fls. or surgeon's fee as per the approved schedule. Heretofore, all of this could not exceed 140 Fls.

A number of improvements also were made in the Major Medical coverage. Physical and speech therapy were added out of hospital as well as visits to chiropractors. Private duty nursing either in hospital or at home so long as required by the attending physician is now covered.

Psychiatric visits up to 12 per person per year have now been added. A stop-loss feature has been included to protect against catastrophic claims. Once 2000 Fls. is incurred in a calendar year through the deductible and the 25% of Major Medical covered claims, the plan will pay 100% of covered claims for the remainder of the year.

This describes the types of changes that have been made in the program but does not cover the changes that have occurred in the value of this coverage to each employee.

Since 1979, hospital room and board rates have risen 86%. Fees for hospital services and doctors fees also have risen significantly. In 1982, the total of claims paid by the Program was over 1.8 million Fls. This is 219% more than claims paid in 1979.

In addition, there are an average of 9000 visits of family members to the Lago Clinic each year and over 7500 prescriptions filled annually. Combined these are valued at 500,000 Fls.

In summary, the total value of these programs in 1982 was 2.4 million Fls. per year or 1800 Fls. per employee.

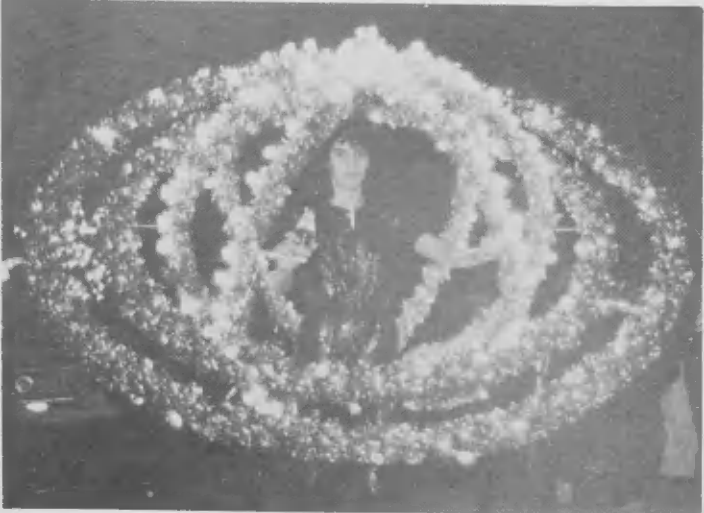
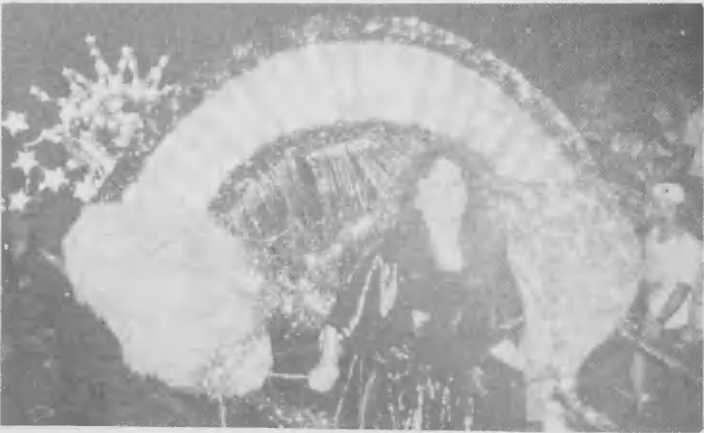
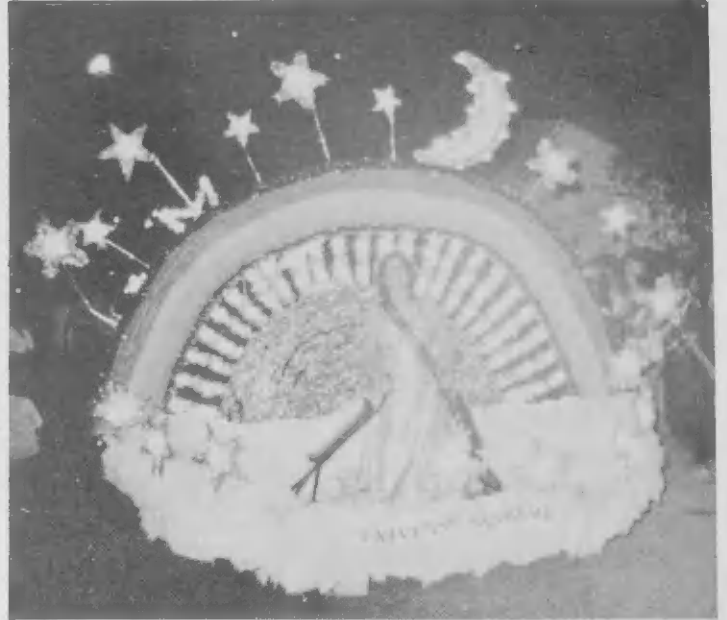
Mantene condicion . . . *cont. di pag. 5*

Ya cu salud ta e idea principal tras di e Fitness Center, custumbernan di come tambe mester wordo considerá, Margriet a splica. "Por ehemplo bo no mester come tres pa cuatro ora promer cu bo haci ehercicio, of bebe lechi pa mas o menos dos ora antes. Nan no ta wordo digeri suficientemente rapido. Tampoco no ta recomendable pa tuma liquido cu ta contene cafeina of alcohol pa mas o menos dos ora promer cu haci ehercicio ya cu e ingredientenan ey ta aumentá presion di sanger."

Pa bira miembro di e Fitness Center, e persona mester ta miembro di Eso Club y mester paga un suma chiquito mensual. E unico otro requisito ta cu e persona mester trese un carta di su dokter, aprobando un programa di ehercicio suave, moderá of pisá. "Nos lo sigi e conseho di dokter, "Vincent a bisa, "ya cu nos meta ta pa logra salud fisica en general.

Ovi Croes, Supervisor di Eso Club, a bisa: "Locual nos tin awor ta un bon comienzo y mi ta spera cu esey lo causa mas plan di extension den futuro.

"Asina cu nos mira e grado di interes den e programa aki, nos por dicidi ariba expansion."



*Aruba
Tivoli
Club
presents:*



*The
Lighting Parade*





The construction of the Utilities Modernization Project continues full steam ahead. This new Honeywell TDC-2000 instrument console has already been installed in the Utilities Control Center.

The No. 1 Powerhouse building has been modified and is ready for erection of the first boiler assembly scheduled to start in February (both boilers have been delivered). The first boiler will be started up around September of this year.

Seguro Medico a ser mehorá

Un copia di e Medical Expense Reimbursement Program (programa pa reembolso di gastonan medico) di Lago, manera ela wordo revisá dia 1 di Januari, 1983, a wordo mandá recientemente pa tur empleado. Hopi biaha e idioma uzá den splica beneficio por parce asina formal y no ta facil pa descubri ta kiko e cambionan importante ta.

Akibao ta sigi algun di e cambionan mas importante cu ta duna e Medical Reimbursement Program mas valor na empleadonan y nan famia.

Kamber y Cuminda

Na ora di hospitalizacion, tur gasto di kamber y cuminda den segunda clase (semi-privá) ta wordo cubri pa 300 dia. Si Departamento Medico di Lago pensa cu e paciente mester wordo hospitalizá na un otro lugar, gastonan di kamber y cuminda lo wordo cubri maske cu e costo pa dia ta mas halto. Den pasado, e diferencia aki tabata cai bao Major Medical, locual tabata nificá cu e empleado mester a paga 25% di e diferencia.

Aunque un paciente scoge pa ser trata den exterior sin e acuerdo di Medical Department, elo wordo cubri te na e prijs cu Hospital Oduber di Aruba ta cobra. Hospitalizacion pa alcoholismo y viciamento na droga tambe ta wordo cubri awor te cu un total di 30 dia pa aña calendario.

Antes nan tabata ser excluí di Basic Coverage.

Servicio den hospital

Esaki ta inclui uzo di tur equipo y facilidad di hospital pa examinacion y tratamiento y pa droga, vendahe, etc.

Bao di e programa actual, e gastonan aki ta wordo cubri completamente ora di hospitalizacion na Aruba of ora cu Medical referí e paciente pa exterior. Den pasado tabatin un limite di 10 vez e prijs di kamber pa dia di Hospital Oduber, y tur locual pasa riba e limite ey ta cai bao Major Medical cu e empleado pagando 25%.

Maternidad

Antes tabatin disponible un suma fiho di Fls. 1200 pa parto normal. Esaki tabata cubri hospital y pago di dokter. Awor e plan ta cubri tur gasto di hospital y fuera di esey e prijs di dokter te cu un maximo di Fls. 1000.

Prijs di Cirujano

Desde mitar di aña '80, Lago tabata uza un sistema di apuntacion hopi uzá den determiná reembolso di

cirugia na Aruba. Esaki tabata nificá cu mayoria di vez, tur gasto di cirujano tabata haya reembolso total. Sinembargo, si e paciente mester a haci un operacion complicá cu no por wordo haci akinan, Medical lo mester mandé exterior, na unda cu e escala basá ariba Aruba talvez no ta aplicable. Den casonan asina, Compania tabata paga 75% di e gastonan extra, pero e empleado mester a paga 25% di e diferencia.

Desde 1 di Januari, 1983, e reembolso pa cirugia den exterior, en caso di referencia, ta dos vez esun di Aruba. Esaki ta nificá cu e plan actual lo cubri mayoria si no tur e gastonan di cirugia den exterior den casonan referi pa Medical.

Tratamento di emergencia

Mescos cu den caso di maternidad, esaki ta cubri awor tur gasto di hospital, gasto di dokter te cu Fls. 100 of e costo di cirujano te cu e schedule aprobá. Antes, tur esaki no por a pasa Fls. 140.

Varios mehoracion a wordo haci den Major Medical tambe. Terapia fisica y di habla y bishita na chiropractors ta wordo cubri como servicio fuera di hospital. Si e dokter cu atende e paciente haya cu e tin mester di un enfermera privá, esey tambe lo ser cubri awor. Bishitanan na psiquiatra, te na un maximo di 12 pa persona pa aña tambe a ser aña. Un asina yama "stop-loss feature" tambe a wordo inclui como un proteccion contra reclamonan catastrófico. Una vez e empleado gasta Fls. 2000 den un aña calendario na pagonan inicial y e 25% di e reclamonan di Major Medical, e plan actual lo paga 100% di reclamonan cubri pa e resto di aña.

Esaki ta un descripcion di e tipo di cambionan cu a tuma lugar den e programa pero no ta cubri e cambionan cu a ocurri den e valor di alcance pa cada empleado.

Desde 1979, prijs di kamber y cuminda di hospital a subi cu 86%. Prijs pa servicio di hospital y dokter tambe a subi significantemente.

Na 1982, un total di Fls. 1.8 miyon na reclamo a wordo pagá pa medio di e Programa aki. Esaki ta un aumento di 219% di e reclamonan pagá na 1979.

Adicionalmente, un averahe di 9000 bishita di miembronan di famia ta wordo haci tur aña y mas di 7500 receta ta ser yená anualmente.

Tur hunto nan ta monta na un valor di Fls. 500,000. En resumen, e valor total di e programanan aki na 1982, tabata Fls. 2.4 miyon pa aña of Fls. 1800 pa cada empleado.